

भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)

PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० ४१०] नई दिल्ली, सोमवार, दिसम्बर २९, १९६९/वी० ८, १८९१

No. 410] NEW DELHI, MONDAY, DECEMBER 29, 1969/PAUSA 8, 1891

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

CENTRAL BOARD OF DIRECT TAXES

NOTIFICATION

INCOME-TAX

New Delhi, the 29th December, 1969

S.O. 5056.—In exercise of the powers conferred by section 29 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income tax Rules, 1962, namely:—

1. (1) These rules may be called the Income-tax (Sixth Amendment) Rules, 1969.
- (2) They shall come into force on the 1st day of April, 1970.

2. In rule 5 of the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), for sub-rule (1), the following sub-rule shall be substituted, namely:—

- (1) Subject to the provisions of sub-rules (2) and (3), the allowance under clause (i) or clause (ii) of sub-section (1) of section 32 in respect of depreciation of buildings, machinery, plant or furniture shall be calculated at the percentages specified in the second column of the Table in Part I of Appendix I to these rules on the actual cost or, as the case may be, the written down value of such of the assets aforesaid as are used for the purposes of the business or profession of the assessee at any time during the previous year:

Provided that in a case where the assessee has been allowed to vary the meaning of the expression "previous year" in respect of any business or profession under sub-section (4) of section 3 and, thereby, his income from such business or profession for a period of thirteen months or more is included in his total income of any previous year, the allowance referred to in this sub-rule, calculated in the manner stated hereinabove, shall be increased by multiplying it by a fraction of which the numerator is the number of complete months in such previous year and the denominator is twelve.

3. In Appendix I to the principal rules, for Part I, the following shall be substituted, namely:—

PART I
(See rule 3)

Table of rates at which depreciation is admissible

Class of asset	Depreciation allowance as percentage of— (i) actual cost in the case of ocean-going ships; (ii) written down value in the case of any other asset.	REMARKS
1	2	3
I. Buildings.		
1. First class substantial buildings of selected materials.	2.5	} Double these rates will be taken for factory buildings excluding offices godowns, officers and employees' quarters.
2. Second class buildings of less substantial construction	5	
3. Third class buildings of construction inferior to that of second class buildings but not including purely temporary erections.	7.5	
4. Purely temporary erections such as wooden structures.	100	
II. Furniture and fittings—		
1. General rate	10	
2. Rate for furniture and fittings used in hotels; restaurants and boarding houses; schools, colleges and other educational institutions; libraries; welfare centres; meeting halls; cinema houses, theatres and circuses; and for furniture and fittings let out on hire for use on the occasion of marriages and similar functions.	25	
III. Machinery and plant (not being a ship)		
(i) General rate applicable to machinery and plant (not being a ship) for which no special rate has been prescribed under item (ii) hereinbelow	10	
(ii) Special rates:		
A. (1) Hydraulic works, pipelines and sluices (N.E.S.A.)	5	}
(2) Overhead cables and wires (N.E.S.A.)		
(3) Salt Works—Reservoirs, Condensers, Salt Pans, delivery channels and piers, if constructed of masonry, concrete, cement asphalt or similar materials (N.E.S.A.)		
B. (1) Accounting machines (N.E.S.A.)	25	}
(2) Air Conditioning Machinery including room air conditioners (N.E.S.A.)		
(3) Artificial Silk Manufacturing Machinery and Plant except wooden parts.		
(4) Building Contractor's Machinery (N.E.S.A.)		
(5) Brick and Tile Manufacture—wooden shelves and pallets.		
(6) Calculating machines (N.E.S.A.)		
(7) Machinery and plant coming into contact with corrosive chemicals.		
(8) Machine Tools—		
(a) Automatic and semi-automatic;		
(b) Precision machine tools, e.g., grinding machines		

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- (9) Mineral oil concerns—field operation (Distribution)—Kerbside pumps including under-ground tanks and fittings (N.E.S.A.)
- (10) Mines and Quarries—Surface and underground machinery (other than electrical machinery, boilers and portable underground machinery), head-gear, moving parts and rails (N.E.S.A.)
- (11) Neo-post Franking Machines (N.E.S.A.)
- (12) Office Machinery (N.E.S.A.)
- (13) Refrigeration Plant Contrainers etc. (other than racks). (N.E.S.A.)
- (14) Road making plant and machinery.
- (15) Ropeway structures—Carriers.
- (16) Rubber and Plastic goods factories—General machinery and plant.
- (17) Salt works—Machinery, plant, locomotives, wagons and rolling stock.
- (18) Sewing and knitting machines employed in the manufacture of Hosiery and woollen goods.
- (19) Sewing and stitching machines for canvas or leather
- (20) Surgical instruments (N.E.S.A.)
- (21) Tea factories—General machinery and plant including rollers and driers.
- (22) Tramways Electric and tramways run by internal combustion engines—Permanent way exceeding 1,25,000 carkilometers per kilometer of track per annum (N.E.S.A.)
- (23) Typewriters (N.E.S.A.)
- (24) Wireless apparatus and gear, wireless appliances and accessories (N.E.S.A.)

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[C. (1) Cinematograph films—Machinery used in the production and exhibition of cinematograph films (N.E.S.A.)—

- (a) Recording equipment, reproducing equipment, developing machines, printing machines, editing machines, synchronisers and studio lights except bulbs.
- (b) Projecting equipment of film exhibiting concerns.
- (2) Cycles (N.E.S.A.)
- (3) Data processing machines including computers (N.E.S.A.)
- (4) Electrical machinery—Batteries; X-ray and Electro-therapeutic apparatus and accessories thereto (N.E.S.A.)
- (5) Glass manufacturing concerns except Direct Fire Glass Melting Furnaces—Recuperative and Regenerative Glass Melting Furnaces.
- (6) Juice boiling pans (Karhais) (N.E.S.A.)
- (7) Motor cars, motorcycles, scooters and other mopeds (N.E.S.A.)
- (8) Sugar Cane crushers (indigenous Kolhus and Belans) (N.E.S.A.)

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D. (1) Aeroplanes—Aircraft, Aerial photographic apparatus (N.E.S.A.)

- (2) Concrete Pipes manufacture—Moulds (N.E.S.A.)
- (3) Drum Container manufacture—Dies (N.E.S.A.)
- (4) Earth moving machinery employed in heavy construction works, such as dams, tunnels, canals etc. (N.E.S.A.)
- (5) Glass manufacturing concerns except Direct Fire Glass Melting Furnaces—Moulds (N.E.S.A.)
- (6) Moulds in Iron Foundries (N.E.S.A.)

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(7) Mineral oil concerns—Field operations (above ground)—Portable boilers, drilling tools, wellhead tanks, rigs etc. (N.E.S.A.)	}	30
(8) Mines and quarries—Portable underground machinery and earth moving machinery used in open cast mining (N.E.S.A.)		
(9) Motor buses, motor lorries, motor taxis, motor tractors (N.E.S.A.)		
(10) Patterns, dies and templates (N.E.S.A.)		
(11) Ropeway structures—Ropeways ropes and trestle sheaves and connected parts (N.E.S.A.)		
(12) Shoe and other leather goods factories—wooden lasts used in the manufacture of shoes.		
E. (1) Aeroplanes—Aero-engines (N.E.S.A.)	}	40
(2) Rubber and plastic goods factories—Moulds (N.E.S.A.)		
F. (1) Artificial Silk Manufacturing Machinery—wooden parts.	}	100
(2) Cinematograph films—Bulbs of studio lights.		
(3) Flour mills—Rollers.		
(4) Gas cylinders including valves and regulators.		
(5) Glass manufacturing concerns—Direct Fire Glass Melting Furnaces.		
(6) Iron and steel industry—Rolling mill rolls.		
(7) Match factories—Wooden match frames.		
(8) Mineral oil concerns—		
(a) Plant used in field operations (above ground)—Distribution—returnable packages.		
(b) Plant used in field operations (below ground) but not including assets covered by sub-item (ii) B(9) above.		
(9) Mines and quarries—		
(a) Tubs, winding ropes, haulage ropes and sand stowing pipes.		
(b) Safety lamps.		
(10) Salt works—Salt pans, reservoirs and condensers etc. made of earthy, sandy or clayey material or any other similar materials.		
(11) Sugar works—rollers.		

(iii) *Extra depreciation allowance for approved hotels:*

An extra allowance of depreciation of an amount equal to one-half of the normal allowance shall be allowed in the case of machinery and plant installed by an assessee, being an Indian company, in premises used by it as a hotel where such hotel is for the time being approved by the Central Government for the purposes of section 33 of the Act.

Explanation.—For the purposes of this sub-item and sub-item (iv), “normal allowance” means the amount of depreciation allowance [other than the extra depreciation allowance under this sub-item or the extra shift depreciation allowance under sub-item (iv)] which is allowable under rule 5.

(iv) *Extra shift depreciation allowance:*

An extra allowance upto a maximum of an amount equal to one-half of the normal allowance shall be allowed where a concern claims such allowance on account of double shift working and establishes that it has worked double shift. An extra allowance upto a maximum of an amount equal to the normal allowance instead of one-half of the normal allowance, shall be allowed where a concern claims such allowance on account of triple shift working and establishes that it has worked triple shift.

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The calculations of the extra allowance for double shift working and for triple shift working shall be made separately in the proportion which the number of days for which the concern worked double shift or triple shift, as the case may be, bears to the normal number of working days during the previous year. For this purpose, the normal number of working days during the previous year shall be deemed to be—

- (a) in the case of a seasonal factory or concern, the number of days on which the factory or concern actually worked during the previous year or 180 days, whichever is greater;
- (b) in any other case, the number of days on which the factory or concern actually worked during the previous year or 240 days, whichever is greater.

Illustration

For example, where a non-seasonal concern worked 270 days during the previous year out of which it worked triple shift on 135 days and double shift on another 90 days, the extra depreciation allowance for triple shift working will be $135/270$, i.e. one-half of the normal allowance, and that for double shift working $90/270$, i.e. one-third, of one-half of the normal allowance.

The extra shift allowance shall not be allowed in respect of any item of machinery or plant which has been specifically excepted by inscription of the letters "N.E.S.A." (meaning "No Extra Shift Allowance") against it in sub-item (ii) above and also in respect of the following items of machinery and plant to which the general rate of depreciation of 10 per cent. applies:—

- (1) Electrical Machinery—Switchgear and instruments, transformers and other stationary plant and wiring and fittings of electric light and fan installations.
- (2) Locomotives, Rolling stock, Tramways and Railways used by concerns, excluding Railway concerns.
- (3) Mineral oil concerns—Refineries—
 - (a) Boilers,
 - (b) Prime Movers,
 - (c) Process plant.
- (4) Mineral oil concerns—Field operations—
 - (a) Boilers,
 - (b) Prime Movers,
 - (c) Process plant,
 - (d) Storage tanks (above ground),
 - (e) Pipelines (above ground),
 - (f) Jetties and Dry docks.
- (5) Mines and quarries—
 - (a) Boilers and head-gears (excluding moving parts),
 - (b) Shafts and inclines,
 - (c) Tramways on the surface.
- (6) Railway sidings.
- (7) Ropeway structures—
 - (a) Trestle and Station steel work,
 - (b) Driving and tension gearing.

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(8) Salt Works—

- (a) Barges and Floating Plant,
- (b) Piers, quays and jetties,
- (c) Pipelines for conveying brine if constructed of masonry, concrete, cement, asphalt or similar materials.

(9) Tramways Electric and tramways run by internal combustion engines—

- (a) Permanent way not exceeding 1,25,000 car kilometers per kilometer of track per annum
- (b) Cars—car trucks, car bodies, electrical equipment and motors,
- (c) tram cars including engines and gears.

(10) Weighing machines.

IV. *Ships*—

(1) Ocean going ships	5	To be calculated on the actual cost.
(2) Vessels ordinarily operating on inland waters—		
(i) *Speed boats	20	
(ii) Other vessels	10	

*“Speed boat” means a motor boat driven by a high speed internal combustion engine capable of propelling the boat at a speed exceeding 24 kilometers per hour in still water and so designed that when running at a speed it will plane, i.e., its bow will rise from the water.

[No. 169/F. No. 3(9)69-TPL].

R. R. KHOSLA, Secy.